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Operational arrangements and conditions of service of the Advisory Committee on Administrative and Budgetary Questions

Note by the Secretary-General

Pursuant to General Assembly resolution 69/274 A, the Secretary-General has the honour to transmit to the Assembly the report of the Chair of the Advisory Committee on Administrative and Budgetary Questions on operational arrangements and conditions of service of the Advisory Committee (part one), accompanied by the comments and views of the Secretary-General on the recommendations relating to the conditions of service of the members of the Committee (part two).

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Part one
Report of the Chair of the Advisory Committee on Administrative and Budgetary Questions on operational arrangements and conditions of service of the Advisory Committee

I. Background

1. The functions and responsibilities of the Advisory Committee on Administrative and Budgetary Questions are currently governed by the provisions of General Assembly resolutions 14 (I) of 13 February 1946 and 32/103 of 14 December 1977 and rules 155 to 157 of the rules of procedure of the Assembly. Pursuant to those rules, the members of the Advisory Committee are appointed by the Assembly in their individual capacity on the basis of broad geographical representation, personal qualifications and experience. The Committee consists of 16 members, including at least three financial experts of recognized standing. The term of appointment is for a three-year period, and members are eligible for reappointment. The major functions of the Committee are the following:

(a) To examine and report on the proposed budget submitted by the Secretary-General to the General Assembly;

(b) To advise the General Assembly concerning any administrative and budgetary matters referred to it;

(c) To examine on behalf of the General Assembly the administrative budgets of the specialized agencies and proposals for financial arrangements with such agencies;

(d) To consider and report to the General Assembly on the auditors' reports on the accounts of the United Nations and of the specialized agencies.

2. Under the current operational arrangements, the Chair of the Advisory Committee is elected by the other members of the Committee and serves on a full-time basis. The remaining 15 members of the Committee fall into two categories: those who are personnel attached to their respective permanent missions in New York and those who are not based in New York. Those members who are not personnel of their Permanent Mission to the United Nations travel to and from New York to attend Committee sessions and are paid daily subsistence allowance by the Organization during periods when the Committee is in session. Members who are attached to their Permanent Mission receive no payment from the United Nations. Although the Committee now meets for up to 78 weeks during each biennium,[1] the conditions of service of those members who are on "travel status" remain similar to those of members of other bodies that carry out their functions during annual meetings lasting two to four weeks.[2]

[1] In its resolution 64/243, the General Assembly authorized the Advisory Committee to meet for a total of 78 weeks per biennium.

[2] The members of other permanent subsidiary organs of the General Assembly, such as the Committee on Conferences, the Committee for Programme and Coordination and the Committee on Contributions, generally travel from their home countries and return home at the end of the session.

3. The matter of the existing operational arrangements of the Advisory Committee first arose three years ago, in the context of its review of the Secretariat's preparedness relating to the introduction of the International Public Sector Accounting Standards and the related workload implications for the General Assembly and the Committee. Subsequently, the Secretary-General signalled his intention to put forward proposals related to the operational arrangements of the Committee in his budget proposal for the biennium 2014-2015 (see A/68/6 (Sect. 1), para. 1.29). In its related report thereon, the Committee noted the Secretary-General's intention to undertake such a review, including an assessment of current workload demands that, it also noted, required its meeting throughout the year and a possible adaptation of the terms and conditions of the members to reflect this fact (see A/68/7, para. I.30).

4. In this connection, the Chair of the Advisory Committee, in a subsequent letter to the Secretary-General dated 19 August 2013, following consultations with the other Committee members, provided additional explanations and details in support of the review, along with an indication that the Committee would continue its efforts to improve its own working methods. Subsequently, the Secretary-General transmitted his comments and observations on the Committee's operational arrangements in a letter to the President of the General Assembly, who in turn transmitted it to the Chair of the Fifth Committee for the consideration of that Committee (see A/C.5/68/13). In that document, the Secretary-General indicated that the workload of the Committee had progressively increased since its establishment, reflecting changes in the scope and volume of the work of the Organization. He also indicated that the matters presented to the Committee for its review had increased in complexity, requiring additional time for their consideration (see A/C.5/68/13, enclosure, paras. 2-8). In addition, the Secretary-General pointed out the potential benefits of the establishment of the Committee as a standing committee (ibid., para. 19).

5. In its resolution 69/274 A, the General Assembly, having considered the above-mentioned letters and the related report, stressed the importance of the functions of the Advisory Committee, as well as the need to perform them in full independence and with a view to providing the technical expertise required for deliberations of the Assembly (see resolution 69/274 A, sect. V, para. 2). The Assembly also recognized the increasing workload and complexity of issues considered by the Committee and therefore considered that the current operational arrangements of the Committee, including the conditions of service of its members, should be improved (ibid., para. 3). It requested the Committee to elaborate a comprehensive assessment of its operational arrangements and, on that basis, to formulate: (a) recommendations for improving the current conditions of service of its members, in particular their health insurance coverage, privileges and immunities, and conditions of remuneration; and (b) measures to strengthen the efficiency of its working practices in order to better meet the needs of the Assembly, in particular by reviewing its internal procedures, including its organization of work, and by establishing a code of conduct for all its members on the basis of the principles set out in paragraph 2 of the resolution (ibid., para. 4). In addition, the Secretary-General was requested to submit his own comments and views on the recommendations of the Committee relating to the conditions of service of its members (ibid., para. 5).

6. Responding to the request of the General Assembly that the Advisory Committee provide additional details on the subject of its own operational arrangements, the current Chair of the Committee sought the views and comments of individual Committee members. The members agreed to allow the Chair, in his official capacity, to prepare and submit the following comments on their behalf. The proposals contained in the present report are therefore submitted to the Assembly for its consideration by the Chair under his authority and as the designated representative of the Committee. It should be noted that the proposals set out in the report do not contain any provisions or recommendations that would affect the existing conditions of service under which the current Chair now serves.

II. Proposed conditions of service

Remuneration and entitlements

7. Currently, the Chair of the Advisory Committee is the only member of the Committee who serves on a full-time basis. By its resolution 35/221, the General Assembly decided that the annual net compensation (which was $217,748 as at January 2015) and other conditions of service of the Chair would be equal to those of the two full-time members of the International Civil Service Commission (ICSC), the Chair and Vice-Chair. The Chairs are also entitled to receive a special allowance (currently $10,000 per annum). By its resolution 45/249, the Assembly reaffirmed the principle that the conditions of service of those three officials should be separate and distinct from those of officials of the United Nations Secretariat. The conditions of service are reviewed periodically by the Assembly, with the most recent review having taken place at its sixty-eighth session, when no changes were proposed (see A/68/187 and Assembly resolution 68/247 A). In its resolution 65/268, the Assembly decided that the annual net compensation of the Chair of the Committee (as with the Chair and Vice-Chair of ICSC) would be subject to a cost-of-living adjustment equivalent to the annual change in the midpoint net base salary of the most senior officials in the Secretariat, namely, staff serving at the levels of Under-Secretary-General and Assistant Secretary-General.

8. Taking into account both the nature of the work of the Advisory Committee and the level of experience required, the Secretary-General proposed in the above-mentioned report (A/C.5/68/13) that the General Assembly consider establishing the annual net compensation for members other than the Chair at the level equivalent to those of United Nations staff members at the D-2 level, step IV. Other conditions of service, consistent with those already available to the Chair, would also be applicable to other members, with the exception of the special allowance. In this regard, noting that the Chair received a special allowance of $10,000 per annum, the Secretary-General proposed that other members receive a representation allowance of $600 per annum in line with staff members at the D-2 level. Details regarding the other conditions of service were outlined in an appendix to that report and included: retirement benefits; assignment grant; removal of personal and household effects; home leave; travel allowances; education grant; and benefits in the event of illness, injury or death attributable to service with the United Nations. It was proposed that, as with the Chair, full-time members of the Committee not be entitled to dependency allowance, rental subsidy, repatriation grant, or commutation of accrued annual leave upon separation.

9. As a point of general principle, the Chair concurs with the view, expressed by both the Secretary-General in his report and the General Assembly in resolution 69/274 A, that the conditions of service for its members need to be improved. In particular, the Chair is of the view that the payment of travel and daily subsistence allowance to those members deemed to be on travel status, as if they were temporarily based in New York, is not suited to the current operational requirements of the Committee, which require full-time presence in New York. Improved conditions of service for the members of the Committee will enable it to respond better to its increased workload and the complexity of issues now presented to it, and will assist in ensuring that the Committee provides the Assembly with the necessary level of technical expertise in the conduct of its work.

10. Consistent with the conditions of service currently in place for the Chair of the Advisory Committee (as well as the Chair and Vice-Chair of ICSC), which reflect a status separate and distinct from that of United Nations Secretariat officials, the Chair supports the view that the remuneration level for the Committee members should be governed by a scale separate and distinct from that governing the remuneration of United Nations staff members, while reflecting the principle of general equivalency with Secretariat remuneration levels. The Chair's remuneration is currently established at a level broadly equivalent to a point between the grades of Assistant Secretary-General and Under-Secretary-General based at Headquarters. Therefore, the General Assembly may wish to consider establishing the annual net remuneration for the Committee members within a range equivalent to the levels below that at which the Chair's salary has been pegged. The notion that this compensation should be subject to an annual cost-of-living adjustment is also supported, consistent with the Assembly's decision to introduce such an annual adjustment to the remuneration of the Chair of the Committee and the Chair and Vice-Chair of ICSC (see resolution 65/268, sect. III, para. 7). In addition, as with the remuneration of the Chair of the Committee, the conditions of service should be reviewed periodically by the Assembly. The proposed revised terms and conditions of service, including a range of net salary levels, as well as other entitlements proposed for full-time members of the Committee, as compared with the existing terms and conditions for its Chair, are set out in annex I to the present report.

11. Furthermore, the Chair is of the view that it would also be beneficial for all members of the Advisory Committee, with the exception of its Chair, to be on an equal footing in terms of their remuneration and related legal status (see also paras. 13-15 below). This would constitute a departure from the existing conditions of service, under which compensation and entitlements vary between members, along with their legal status, depending on whether they are attached to their Permanent Missions. Establishing identical terms and conditions for all Committee members is consistent with the equity principle recognized in a number of compensation regimes (i.e., equal pay for equal work) and is enshrined in the long-standing principles underpinning the methodology for establishing the United Nations salary scales. In the view of the Chair, the operational independence of the Committee would be strengthened through such a measure. Such a provision would appear to be in line with the intention of resolution 69/274 A (sect. V, para. 3). It is also proposed that current members of the Committee be allowed to serve out their present terms of office under the existing conditions applicable to each of them, should they wish to do so. Further details concerning proposed transitional arrangements are set out in paragraph 22 below.

Health insurance coverage

12. As part of his conditions of service, the Chair of the Advisory Committee is offered the option to join the Headquarters medical insurance scheme, upon payment of the full cost of the related insurance premium. Under the existing conditions, the Organization does not make a contribution to the costs of the Chair's medical insurance coverage, although it makes such contributions with respect to its staff members. In this regard, a similar option is proposed for the Committee members in order to ensure that they have the option to avail themselves of health care in the host country at their own cost, should they so wish. This would address an anomaly in the existing structure, under which medical insurance coverage varies from member to member, depending on their nationality and the related arrangements offered in the case of each individual. In this connection, the General Assembly, in resolution 69/274 A (sect. V, para. 6), authorized the members of the Committee, pending its final decision on this matter, to enrol in the United Nations health insurance plans at their own expense, in accordance with the rules and procedures set out in the relevant information circular. The Chair is of the view that this arrangement should now be formalized as part of the Committee's revised conditions of service.

Privileges and immunities

13. Currently, members of the Advisory Committee, when performing tasks for the Committee, are considered experts on mission for the United Nations and, as such, enjoy the privileges and immunities set forth in article VI of the Convention on the Privileges and Immunities of the United Nations. They are therefore accorded such privileges and immunities as are necessary for the independent exercise of their functions during the periods of their missions, including the time spent on journeys in connection with their missions. In the case of those members who are also concurrently members of a Permanent Mission to the United Nations, the respective Member States may accordingly consider them representatives of their Member States as well, under the existing legal framework.

14. Under the proposal, members of the Advisory Committee would be granted privileges and immunities as "officials other than Secretariat officials", which are set forth under articles V and VII of the Convention, similar to the way in which privileges and immunities have been granted to the Chair of the Advisory Committee. These include: (a) immunity from legal process in respect of words spoken or written and all acts carried out by them in their official capacity; (b) exemption from taxation on the salaries and emoluments paid to them by the United Nations; (c) immunity from national service obligations; (d) immunity, together with their spouses and relatives dependent on them, from immigration restrictions and alien registration; (e) the same privileges in respect of exchange facilities as are accorded to the officials of comparable ranks forming part of diplomatic missions to the Government concerned; (f) together with their spouses and relatives dependent on them, the same repatriation facilities in time of international crisis as diplomatic envoys; and (g) the right to import free of duty their furniture and effects at the time of first taking up their post in the country in question. Pursuant to article VII, section 24, of the Convention, members might also be provided with a laissez-passer, which would identify them as United Nations officials.

15. In addition, the Chair is of the view that the status of all Committee members should be harmonized by reference to his own status, with the consequence that the diplomatic privileges and immunities provided for in article V, section 19, of the Convention, which apply to his position, would also apply to the Committee members. Therefore, they would be accorded those privileges, immunities and facilities accorded to diplomatic envoys, in accordance with international law.

III. Working practices of the Advisory Committee

16. In resolution 69/274 A (sect. V, para. 4 (b)), the General Assembly also requested the Advisory Committee to formulate measures to strengthen the efficiency of its working practices, in particular by reviewing its internal procedures, including its organization of work. Mindful of the need to seek efficiencies, the Chair has indicated that, while the Committee would henceforth be a full-time, standing body with the ability to convene at any time throughout the year, it intends to limit its meeting servicing requirements to the current biennial allocation of 78 weeks, irrespective of the proposal for its establishment as a full-time committee (see also A/C.5/68/13, para. 26).

17. Recent efficiency measures reflect primarily efforts made to improve the flow of documentation and the related scheduling of the Advisory Committee's meetings. Representatives of the Committee secretariat, along with representatives of the Fifth Committee secretariat, the Department for General Assembly and Conference Management, the Department of Management and other author departments, now regularly consult to determine optimal documentation slot dates, taking into account relevant Committee schedules, the sequencing of related agenda items, and workload considerations across Secretariat departments. This improved coordination has contributed to notable improvements in terms of the timeliness of the production of documents for intergovernmental deliberations in 2015. The early issuance of the recent report of the Advisory Committee on the proposed programme budget for the biennium 2016-2017 (A/70/7), the Committee's single largest and most complex report for the upcoming biennium, is one example of this improvement.

18. Furthermore, to improve the efficiency of the Advisory Committee's hearings, some members are now transmitting questions requiring written responses in advance of the hearing or are submitting their questions in writing, thereby reducing the time required for the Committee and the Secretariat officials in their oral exchange of views. Secretariat officials have also been requested to keep formal introductory remarks to a minimum, and time limits have been imposed on member interventions, in order to maximize the opportunity for an interactive exchange. In addition, the Committee sometimes extends its working hours, depending on the workload before it, working on occasion without the benefit of language interpretation. The Chair is currently assessing other possible innovations with respect to the Committee's working practices.

Code of conduct

19. In resolution 69/274 A (sect. V, paras. 2 and 4 (b)), it is stated that the working practices of the Advisory Committee could also be strengthened by establishing a code of conduct for all its members on the basis of the principles of the Committee's

full independence and the need for the Committee to provide the technical expertise required for the deliberations of the General Assembly.

20. If the proposal, set out in paragraph 14 above, that the members of the Advisory Committee become officials "other than Secretariat officials" is accepted, such members will be subject to the Regulations Governing the Status, Basic Rights and Duties of Officials other than Secretariat Officials, and Experts on Mission, as outlined in Secretary-General's Bulletin ST/SGB/2002/9. The conduct of the Committee members will be required to comport with the obligations set out in that bulletin. As the scope of the bulletin is broad, in order to supplement the bulletin, specific provisions relevant to the Committee have been compiled in a draft code of conduct in annex II to the present report.[3]

21. In order to further strengthen the independent standing of the Advisory Committee and to avoid any real or perceived conflict of interest, the General Assembly may also wish to consider introducing restrictions relating to employment in the United Nations Secretariat immediately following the expiration of any given member's term of office. This stipulation, informally known as a "stand-down" period, would prescribe a minimum lapse of time between the end of a member's term on the Committee and any possible candidacy for a vacant position or consultancy assignment. In addition, the Chair is of the view that, given the functions of the Committee relating to administrative and budgetary matters, it would be beneficial for the members of the Committee, including its Chair, to submit an annual financial disclosure statement.

Other matters

22. As indicated in paragraph 11 above, the option of a phased introduction of any proposed change in the Advisory Committee's operational arrangements, including the status of its members and their conditions of service, would need to be considered in view of the existing terms and conditions under which the current members have assumed their functions. In addition, as of October 2015, the remaining duration of the terms of office of the Committee members ranged from 2 to 26 months. To ensure a smooth and workable transition to the new set of operational arrangements, the Chair proposes that current Committee members have the option to serve out their present terms of office under the existing conditions applicable to each of them, should they so wish. Should the General Assembly concur with this proposal, a transitional regime would be in place until December 2017, comprising the new arrangements for all new members elected after 1 January 2016, and the old arrangements would exist in tandem for those current members who elect to remain under their existing conditions. The Committee's new operational arrangements, including the new conditions of service, would therefore come into full effect for all Committee members in January 2018.

23. In addition to the possibility of a stand-down provision, referred to in paragraph 21 above, there are a number of additional provisions relating to the Advisory Committee's operational arrangements that, in the view of the Committee members, are purely within the purview of the General Assembly. These include the possibility of imposing additional restrictions on the length and the number of terms for members of the Committee.

[3] The statutes of analogous advisory bodies include similar provisions relating to the conduct of their respective members.

IV. Conclusions and recommendations

24. **The General Assembly may wish to:**

(a) **Decide that the members of the Advisory Committee on Administrative and Budgetary Questions shall have the status of officials other than Secretariat officials performing functions for the Organization on a full-time basis;**

(b) **Approve the amount of the annual net compensation and the other conditions of service for the members of the Advisory Committee other than the Chair, as proposed in paragraphs 10-15 above;**

(c) **Determine that Secretary-General's Bulletin ST/SGB/2002/9 shall govern the conduct of the members of the Advisory Committee, and further endorse the draft code of conduct, contained in annex II to the present report, as a supplement to the bulletin;**

(d) **Approve as a transitional measure the option to serve out the remainder of their present terms of office under the conditions currently applicable to each of them, as set out in paragraph 22 above;**

(e) **Take a related decision concerning the additional resource requirements under section 1 of the proposed programme budget for 2016-2017, as proposed by the Secretary-General in part two of the present document.**

Annex I

Proposed terms and conditions of the full-time members of the Advisory Committee on Administrative and Budgetary Questions

	Full-time members of the Advisory Committee on Administrative and Budgetary Questions	
Entitlements	*Chair*	*Other members*
Annual net salary (as at January 2015)	$217,748 (no entitlement for post adjustment)	$160,932 to $204,631 (single rate with New York post adjustment)
Special allowance	$10,000	None
Representation allowance	None	$600
Retirement benefits	In accordance with General Assembly resolution 37/131: participant in the United Nations Joint Staff Pension Fund under supplementary article B of the regulations of the Fund	As applied to the Chair of the Advisory Committee
Pensionable remuneration (as at January 2014)	$283,007	$210,577 to $278,617
Assignment grant	In accordance with the provisions of ST/AI/2012/1	As applied to the Chair of the Advisory Committee
Removal of personal and household effects (upon beginning and end of appointment)	In accordance with rules 7.15 and 7.16 of the Staff Rules	As applied to the Chair of the Advisory Committee
Home leave	In accordance with rule 5.2 of the Staff Rules The United Nations defrays the costs for travel to the home country once in every 24 months of qualifying service, as set out in staff rule 5.2, provided all other eligibility requirements are met	As applied to the Chair of the Advisory Committee
Travel allowances	In accordance with the provisions of ST/SGB/107/Rev.6, the rules governing payment of travel expenses and subsistence allowances in respect of members of organs or subsidiary organs of the United Nations upon appointment and upon end of appointment	As applied to the Chair of the Advisory Committee

Entitlements	*Full-time members of the Advisory Committee on Administrative and Budgetary Questions*	
	Chair	*Other members*
Education grant	Reimbursement of the actual cost of educating eligible dependent children, subject to specialized conditions and the same ceilings applicable to the education grant for eligible staff in the Professional and higher categories and the payment of travel expenses for one round-trip journey per year per child, from the place of scholastic attendance outside the United States of America to New York	As applied to the Chair of the Advisory Committee
Health insurance	Option to join the Headquarters medical insurance scheme upon payment of the full cost of the premium	As applied to the Chair of the Advisory Committee
Illness, injury or death attributable to service with the United Nations	Coverage under the provisions of ST/SGB/103/Rev.1	As applied to the Chair of the Advisory Committee
Survivors' benefits	Compensation to survivors in the event of death during service (comprising a lump-sum equivalent to one month of the annual compensation of the official per year of service, subject to a minimum of three months and a maximum of nine months)	As applied to the Chair of the Advisory Committee

Note: As with the Chair's existing conditions of service, it is proposed that full-time members of the Advisory Committee not be entitled to the following conditions of service:

(a) Dependency allowance;

(b) Rental subsidy;

(c) Commutation of accrued annual leave upon separation;

(d) Repatriation grant.

Annex II

Draft code of conduct for the members of the Advisory Committee on Administrative and Budgetary Questions

1. The members of the Advisory Committee on Administrative and Budgetary Questions shall perform their functions in full independence and with impartiality; they shall not seek or receive instructions from any Government or from the United Nations Secretariat or its funds and programmes or from any staff representative body within those organizations.

2. Advisory Committee members must possess the highest standard of integrity in performing their duties. The concept of integrity includes, but is not limited to, probity, impartiality, fairness, honesty and truthfulness in all matters affecting the work of the Committee and the status of individual members.

3. Advisory Committee members shall exercise the utmost discretion with regard to all matters of official business and are bound by professional secrecy with regard to all confidential information received by the Committee.

4. Advisory Committee members shall conduct themselves at all times in a manner befitting their status as well as the standing of the Committee itself. They shall not engage in any activity that is incompatible with the proper discharge of their duties. They shall avoid any action that may adversely reflect on their status, or on the integrity, independence and impartiality required by that status.

5. Advisory Committee members shall not use their office or knowledge gained from their official functions for private gain, financial or otherwise, or for the gain of any third party. They may not accept any honour, decoration, favour, gift or remuneration from any Government or non-governmental source for activities carried out during the course of their official functions while in the service of the United Nations.

6. Advisory Committee members shall not be actively associated with the management of, or hold a financial interest in, any profit-making, business or other concern, if it were possible for them or the entity concerned to benefit from such association or financial interest by reason of their position with the United Nations. Members who are in such a situation shall either dispose of that financial interest or formally excuse themselves from participating with regard to any involvement in that matter that has given rise to the conflict-of-interest situation.

7. Any form of discrimination or harassment, as well as physical or verbal abuse, at the workplace or in connection with work, is prohibited.

8. The Chair shall be informed of complaints relating to the conduct of any Advisory Committee member and shall determine what action, if any, is required. The Chair will ensure that the Committee as a whole is informed of any such actions.

9. The term of office of an Advisory Committee member shall be terminated only if, in the unanimous opinion of all the other members, he or she has ceased to discharge the duties in a manner consistent with the provisions of the present code of conduct and after that conclusion is confirmed by the General Assembly.

Part two
Comments of the Secretary-General on the operational arrangements and conditions of service of the Advisory Committee on Administrative and Budgetary Questions

Remuneration

1. **The Chair of the Advisory Committee on Administrative and Budgetary Questions recommends that the annual net remuneration of the members of the Advisory Committee be set at a level within a range equivalent to the levels in the international civil service below that at which the Chair's salary has been pegged, and that that compensation be subject to an annual cost-of-living adjustment, as introduced by the General Assembly for the remuneration of the Chair of the Committee and the Chair and Vice-Chair of the International Civil Service Commission in section III, paragraph 7, of its resolution 65/268. The conditions of service proposed by the Chair for the members of the Committee, including a range of net salary levels and other entitlements, are reflected in paragraph 10 and annex I of the report of the Chair of the Advisory Committee.**

2. The Secretary-General concurs with the view that, in considering the level of the annual net remuneration of the members of the Advisory Committee, the General Assembly may wish to take into account both the de facto full-time nature of the work of the Committee and the level of experience required, as well as the increased workload. While it is for the Assembly to decide on the specific level of the net annual remuneration within the range proposed by the Chair of the Committee, the Secretary-General sees merit in also taking into account the existing arrangements for other United Nations officials other than Secretariat officials, such as inspectors of the Joint Inspection Unit and the full-time judges of the United Nations Dispute Tribunal whose salaries and other conditions of service are equivalent to those payable to United Nations staff members at the D-2, step IV, level. The Secretary-General also supports the proposed allowances and benefits set out in annex I for the full-time members of the Committee.

3. The Secretary-General also supports the recommendation that the annual net remuneration of the members of the Advisory Committee, as and if approved by the General Assembly, be subject to the same cost-of-living adjustment as that applied to the compensation of the Chair of the Committee in accordance with section III, paragraph 7, of Assembly resolution 65/268, and that the other elements of their conditions of service be reviewed by the Assembly every four years at the same time as the other conditions of service of the Chair of the Committee.

4. **The Chair of the Advisory Committee recommends that, as a transitional measure, the option for the existing Committee members to serve the remainder of their present terms of office under the conditions currently applicable to each of them, as set out in paragraph 22 of the report of the Chair of the Advisory Committee, be approved.**

5. The Secretary-General agrees that the current members of the Advisory Committee should be allowed to serve out their present terms of office under the existing conditions applicable to each of them, should they wish to do so, and supports the proposal on corresponding transitional arrangements contained in paragraph 22 of the report of the Chair of the Advisory Committee.

Health insurance

6. **In paragraph 12 of his report, the Chair of the Advisory Committee recommends, as part of the Committee's revised conditions of service, formalization of the arrangement whereby the members of the Committee are offered the option of enrolling in the United Nations health insurance plans, upon payment of the full cost of the related insurance premium, similar to the arrangement currently in place for the Chair of the Committee.**

7. The Secretary-General supports the proposal of the Chair of the Advisory Committee to continue to offer to the members of the Committee the option of joining the United Nations Headquarters-administered health insurance programme, upon payment of the full cost of the related insurance premium, as was temporarily authorized by the General Assembly in section V, paragraph 6, of its resolution 69/274 A. Should the Assembly decide to provide the status of officials other than Secretariat officials to Committee members, the Assembly may wish to consider the following conditions for members of the Committee who join the United Nations Headquarters-administered health insurance programme:

(a) Committee members having the status of officials other than Secretariat officials performing functions for the Organization on a full-time basis shall be offered the option of joining the United Nations Headquarters-administered health insurance programme, as available to the United Nations staff members based in New York, upon payment of the full insurance premium;

(b) Committee members choosing the option shall follow the rules and procedures set out in the relevant information circular upon renewal of the United Nations Headquarters-administered health insurance programme;

(c) The years of coverage of Committee members under the United Nations Headquarters-administered health insurance programme shall not count towards eligibility for the United Nations after-service health insurance programme.

Privileges and immunities

8. **The Chair of the Advisory Committee recommends that the members of the Committee enjoy privileges and immunities as "officials other than Secretariat officials", which are set forth under articles V and VII of the Convention on the Privileges and Immunities of the United Nations, similar to the way in which privileges and immunities have been granted to the Chair of the Committee, as detailed in paragraphs 13, 14 and 15 of the report of the Chair of the Advisory Committee.**

9. With respect to the legal status of members of the Advisory Committee, the Secretary-General believes that the General Assembly may wish to consider that, for the purposes of the Convention on the Privileges and Immunities of the United Nations, members of the Advisory Committee on Administrative and Budgetary Questions should have the status of officials other than Secretariat officials performing functions for the Organization on a substantially full-time basis and thereby be granted privileges and immunities under articles V and VII of the Convention.

Financial implications

10. Without prejudice to the decisions that the General Assembly may take with respect to the present report, the following are estimates of the financial implications of the proposed changes to the conditions of service of the members of the Advisory Committee.

11. For the purpose of estimating the financial implications for 2016, and in line with the transitional measures proposed by the Chair, the assumption is that the proposed conditions of service would apply at the D-2 level to 10 members of the Advisory Committee. Five members who are currently resident members would choose to remain resident members in 2016 and would not receive any form of remuneration from the Organization.

12. For the purpose of estimating the financial implications for 2017, and in line with the transitional measures proposed by the Chair, the assumption is that the proposed conditions of service would apply at the D-2 level to 13 members of the Advisory Committee. Two of the remaining resident members would continue to choose to remain resident members and would not receive any form of remuneration from the Organization.

13. For 2016 and 2017, it is assumed that all members of the Advisory Committee who are currently non-resident would choose to avail themselves of the proposed conditions of service. Consequently, there would be no remaining non-resident members.

14. On the basis of the assumptions outlined in the paragraphs above, the net additional requirements for the biennium 2016-2017 would amount to $2,593,900, comprising an increase of $6,509,400 for non-staff compensation for 10 members in 2016 and 13 members in 2017, offset in part by a reduction of $3,915,500 for travel of representatives that has been budgeted for non-resident members of the Advisory Committee under section 1 of the proposed programme budget for the biennium 2016-2017.

15. Accordingly, should the General Assembly endorse the conditions of service proposed by the Chair of the Advisory Committee, an additional appropriation of $2,593,900 would be required under section 1, Overall policymaking, direction and coordination, of the proposed programme budget for the biennium 2016-2017.

16. In the event that all members of the Advisory Committee were to avail themselves of the proposed conditions of service in both 2016 and 2017, the net additional requirements for the biennium would amount to $4,567,000, comprising $8,482,500 for non-staff compensation, offset in part by a reduction of $3,915,500 for travel of representatives that has been budgeted for non-resident members of the Committee under section 1 of the proposed programme budget for the biennium 2016-2017.

17. Subject to the decisions of the General Assembly on the proposed conditions of service and the number of members of the Advisory Committee that would avail themselves of those conditions, any requirements above or below the budgeted assumptions contained in paragraphs 11 to 13 above would be sought or reported, as applicable, in the context of the performance reports for the biennium 2016-2017.